

File: DDA

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3 MAR 1981

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MEMORANDUM FOR: Deputy Director for Administration

FROM: Bruce T. Johnson
Director of Data Processing

SUBJECT: Waiver of GSA Regulations Governing
Word Processing Equipment

1. Attached is a staff study, coordinated with the Office of Logistics, which addresses the problem created for us because GSA regulations fail to treat word processing equipment (WPE) as an integral part of ADP and particularly office automation systems. Because of the relationship of WPE procurement with the procurement of other ADPE under our delegation of procurement authority (DPA) I have provided some information about the DPA and our success in employing it. I believe it will give you what you need to prepare for discussion of this subject with the new Administrator of the GSA.

2. The staff study is longer than I had hoped, but the subject is a technical one and difficult to summarize. Since your time is limited you may wish to concentrate on the sections I have highlighted, Sections I (Problem), III (Discussion, paragraphs B, F and G), IV (Conclusions), and V (Recommendations).

3. You may have concluded from our introductory discussion of ODP that I felt we had some fundamental problems with ADPE procurement in general. My intention was to acquaint you with the ways in which the procurement process impinges on our operation, and indeed we are forced to invest considerable effort in support of procurement. As the staff study shows, however, I consider the requirement for competitive procurement to be reasonable and I believe our delegation of procurement authority from GSA serves our purposes extremely well. It is only in the area of word processing where some changes are needed.

4. Preparation of a formal request for waiver (or "deviation," as it is called) to permit CIA to proceed with its word processing/office automation program unhindered by GSA regulations will require additional time. The staff study was

the first step, outlining the basis for the case to be made to CSA in making the request. Unless instructed otherwise as a result of your discussions at CSA, I will collaborate with OL/Procurement and the Office of General Counsel in the preparation of the formal request.

/s/ Bruce T. Johnson

Bruce T. Johnson

Attachment: a/s

cc: PD/OL

[redacted] Information Handling Systems Architect

DISTRIBUTION:

Original and 1 - Addressee

1 - PD/OL w/att.

1 - PD/A/ODP w/att.

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1 - [redacted] Information Handling Systems Architect w/att.

✓ 1 - O/D/ODP w/att.

✓ 1 - ODP Registry w/att.

ODP/FC/DTJ: [redacted] (March 1981) (waiver-dpa)

Copy of attachment only to C/ISA on 3/12/81.

" " " " Comptroller on 4/22/81.

3 MAR 1981

WORD PROCESSING AS AN INTEGRAL PART OF AN
OFFICE AUTOMATION PROGRAM

I. Problem: As defined and managed by the National Archives and Records Services Administration (NARS) for the General Services Administration (GSA), word processors are treated as nothing more than expensive production typewriters, to be justified only when volume production requirements can be cited. Thus acquisition of equipment for purposes of office automation, with its emphasis on information management instead of records management is severely inhibited, and valuable manpower that could be addressing the challenges and opportunities of office automation must be invested instead in volumetric studies of the ways in which word processors are to be used in offices requesting installations.

II. Facts Bearing on the Problem:

A. In April 1979 GSA, citing technological advancement which made it "increasingly difficult to differentiate between WPE [word processing equipment] and ADPE," redefined all WPE as ADPE and subjected WPE to the procurement regulations which implement the Brooks Act.

B. The redefinition of WPE did not remove it from the purview of NARS, and regulations governing its acquisition and use remain in the Records Management (FPMR 101-11) section of the FPMR's, just after Vital Records and Forms and preceding Reports Management and Audiovisual Records.

C. Acquisition of automatic data processing equipment (ADPE) for the Federal Government is governed by the Brooks Act, PL 89-306, 40 U.S.C. 759. The Act authorizes and directs the Administrator of the GSA "to coordinate and provide for the economic and efficient purchase, lease and maintenance of automatic data processing equipment by Federal agencies." It permits him to delegate authority to other federal agencies to acquire and operate ADPE when "necessary for the economy and efficiency of operation, or when such action is essential to national defense or national security." It stipulates, however, that the Administrator is not to "interfere with, or attempt to control in any way," the use made of ADPE. The Act also gives the Secretary of Commerce certain authorities regarding the establishment of uniform Federal ADP standards. The language of the Brooks Act gives it preeminence over other inconsistent provisions of law, so CIA cannot employ the extraordinary authorities of the DCI to avoid application of GSA's implementing regulations, except insofar as the Administrator grants a waiver.

D. In December 1973 GSA issued to CIA a delegation of Procurement authority (DPA) for "the lease, purchase and/or maintenance of ADPE and related items." The DPA prescribed, however, that the Agency must follow all applicable procurement

regulations and it cited a number of specific Federal Property Management Regulations (FPMR's) which were to be followed. It also provided for an annual review of procurement actions. In an amendment dated 29 September 1978 GSA added ADP services to the DPA and updated the references to various applicable regulations. The DPA carries the stipulation that it can be voided for "failure to operate within the established limitations."

E. GSA's regulations, supplemented by instructions and circulars from OMB (e.g. Circular A-71 on Responsibilities for the Administration and Management of ADP Activities), establish comprehensive rules governing the acquisition of ADPE. Prime among the requirements is the need to demonstrate a maximum reliance on competition to ensure the advantages of lower costs and to give as many vendors as possible access to the Federal market. In their broad interpretation of the Brooks Act GSA has had the consistent and active support of Congressman Brooks, who has made himself the watchdog of ADPE procurement and use in the Federal establishment.

F. CIA and the Intelligence Community have supported the concept of competitive procurement. In NFIB 74.2/25, 8 November 1977 on NFIP Procurement Policy, the then DCI stated that "all procurement, whether by formal advertising, or by negotiation, within the limitations of statutory responsibilities to protect sensitive intelligence sources and methods, should be made on a competitive basis to the maximum practical extent." In HN 45-191, 31 May 1978, on CIA Procurement Policy, the then DDCI reiterated this NFIP policy and stressed the need for thorough justification wherever sole-source procurement is proposed.

G. In December 1980 the so-called Paperwork Reduction Act of 1980 (P.L. 95-511) was passed. Among its purposes was "to ensure that automatic data processing and telecommunications technologies are acquired and used by the Federal Government in a manner which improves service delivery and program management, increases productivity, reduces waste and...the information processing burden..." Because the Act would give additional oversight authorities to the Director of OMB, ADPE and telecommunications equipment used for military or intelligence activities were excluded. During legislative debate on the bill, however, Senator Jackson found the opportunity to assert that "to the maximum degree feasible... competitively bid procedures would continue to be employed in the acquisition of...ADP equipment used in support roles for military and intelligence activities," and Congressman Brooks, in accepting the proposed exclusion amendment, asserted that "existing statutes [e.g. the Brooks Act] covering these activities are not affected by this amendment." Thus the Paperwork Reduction Act became at once a form of reinforcement for the application of GSA regulations to CIA's ADPE procurement, and a source of new guidance regarding the ways in which WPE, as a subset of ADPE, could be used "to improve the effectiveness of the use and dissemination of data in the operation of Federal programs..."

H. In the CIA report of October 1980 to the National Academy of Public Administration (NAPA) in support of NAPA's in-depth review of GSA, the Agency used the delegation of ADPE procurement authority as the model for the kind of shift in responsibilities needed if other services essential to CIA were to be at all adequate.

III. Discussion:

A. Word processing aside, the procurement of ADPE under the Agency's DPA is working extremely well. At a time when critics of GSA (such as the General Accounting Office and the Federal Data Processing Reorganization Study) are pointing out that it can (and usually does) take from 2 to 6 years to procure new computer systems through GSA, CIA is issuing Requests for Proposal (RFP's) and bringing in CPU's, other peripheral hardware, and various ADP services in a fashion that is the envy of other Federal ADP managers who come to us for advice. Our last CPU, for example, took 74 days from issuance of RFP to award. The current procurement of our 3033 MP, interrupted by the equipment moratorium, could have been completed in 102 days (71 from the date of the last RFP amendment). ODP and OL/Procurement work closely and in harmony to obtain the equipment and services needed to keep CIA's data processing establishment equipped with the latest technology. Our management of these processes under the DPA is audited periodically but not disruptively by GSA, which has consistently found our procedures to be legal and proper. Given continuing Congressional concern over maintenance of a competitive approach to ADPE procurement, such audit reports represent an excellent defense against any charges by critics of CIA that we high-handedly ignore the FPMR's and the will of Congress. In a time of strong sentiment for checks and balances on Federal authority, the relationship represented by our DPA can be perceived as clearly advantageous to CIA.

Nor does the subordination of the ADPE procurement process to another agency's delegation inhibit our ability to protect sensitive sources and methods information. We have been supported in our insistence that the routine publicity attending most Federal procurement cannot be provided, and the language of the DPA, which says that the limitations imposed must be followed "within the bounds of security," has provided the necessary latitude for our procurement officers to adapt their procedures to meet the needs of security.

One additional factor should be cited. Competition has not infrequently brought real savings. Care must be taken to ensure that we do not take on long-term, hidden systems maintenance costs when we accept a "bargain" proposal, but as we have grown more sophisticated in our use of this procurement tool, we have been able to avoid most such pitfalls. For a combination of security and system stability reasons we have insisted on limiting the number of vendors with whom we deal, and OL/Procurement has supported us in this regard.

B. Turning to word processing, it is possible to see how the requirement to follow GSA regulations can become burdensome when those regulations are out of step with the technological facts of life. ~~In the~~ ADPE world generally, our commitment to follow the FPMR's does not inhibit us technologically. The regulations push us constantly toward competition and require careful documentation when security or technical reasons call for sole source procurement, but the GSA review does not speak to the ways in which we use ADP. As noted above, the Brooks Act prohibits such involvement. ~~In the~~ area of word processing, however, the pattern was set when WPE was considered exclusively as a records management phenomenon. To quote the recent NAPA report on GSA: "Within ADTS [the Automated Data and Telecommunication Service of GSA], the management of ADP and telecommunications have been carried out as separate functions. Little consideration has been given to the emerging technological merger of these two fields. Moreover, responsibility for the management of word processing equipment and technologies is not housed in ADTS, but rather in NARS. Thus, at a time when the technologies underlying the ADP, telecommunications and office and records management are becoming virtually indistinguishable parts of common information system technology, management responsibilities are fragmented among a variety of relatively independent elements within GSA, resulting in unnecessary duplications, inefficiencies, and lack of a coordinated approach."

C. The NARS approach to WPE is illustrated dramatically in the January 1979 GSA Bulletin FPMR B-86 on "Use of word processing equipment," which used a cost comparison of WPE with electric typewriters as a basis for imposing cost-effectiveness determinants for the justification of acquisitions of WPE. No reference is made to the increasing concern for the effective capture of keystrokes as an essential first step in the automation of office functions. In the February 1980 Bulletin (FPMR A-75) which enunciated the reclassification of WPE as ADPE, GSA saw fit to require that the determination of need for WPE was to be governed by the rules set forth in the Archives and Records subchapter of the FPMR's. Those rules speak of ensuring "that an objective need for increased efficiency and effectiveness has been established and that all reasonable alternatives...have been considered," among those alternatives being typing training, work simplification and increased use of dictation equipment (FPMR 101-11.9).

D. GSA Bulletin FPMR A-75 announced the formation of a GSA task force to review "necessary FPMR revisions regarding the application of WPE to office automation consistent with management and acquisition provisions for ADPE...as an information technology resource." The target date for issuance was 31 December 1980, but we have not seen any results.

E. The approach taken by the vendors of WPE has, until recently, encouraged narrow views of the significance of this technology. Emphasis has been on the secretary's efficient manipulation of textual material; systems integration has only

recently become a significant part of the sales pitches as new networking capabilities have come into vogue.

F. ~~In~~ CIA the link between word processing and ADP is close and growing closer. One of the most popular forms of word processing has been and continues to be the SCRIPT facility under our interactive VM system. We have built text processing capabilities into our new standard terminal and plan a software package for the terminal to provide basic word processing capability. As newer generation VDU word processors have come into use we have collaborated with NFAC to create effective links between their interim standard (NBI) word processor installations and ODP's computers, and thence to OL's Electronic Text Editing and Compositing System (ETECS).

G. ~~In~~ 1979 we undertook to transfer responsibilities for WPE from OIS to ODP, coincidentally matching GSA's redefinition of WPE at about the same time. No additional resources were made available when the transfer took place, and the Agency demand for word processing equipment has expanded to the point where 4 ODP man-years are required to effectively manage this program. (Previously, one-half man-year was committed by OIS.) Another significant factor is the time committed by the organizations requesting these devices. The primary reason for this manpower commitment rests in satisfying the GSA regulations already mentioned, which demand documentation of the cost effectiveness and requirements for each word processing device installed. GSA's intent with these regulations was to slow down the government's resource commitment to WP devices. In the Agency's case, this view is short sighted because it views WPE only in the typing function and not in its potential to increase overall organizational productivity through efficient transfer of information. As noted earlier, the whole concept of office automation stresses the early capture of keystrokes in electronic form. Should the GSA documentation requirements be lifted from the Agency, the ODP resources now committed to this activity could be redirected to other more meaningful areas related to office automation. For example, investigations could begin in ways to link word processing, electronic mail, and Agency registry system.

H. The Paperwork Reduction Act requires each agency to designate a senior official to oversee its major information systems and ensure their effective coordination. (As noted, CIA's ADPE was excluded from the Act, but OGC is currently reviewing the other provisions to determine how they affect CIA.) With establishment of the position of Information Systems Architect, CIA has already begun to address the coordination problem which was one of the Act's targets. The development of SAFE, while not the only sign by any means, is perhaps the most dramatic piece of evidence that CIA has attempted to do one of the things the Act calls for, that is, promote the use of ADP to improve effectiveness in the use of data. Now that we have in place an official whose task it is to

ensure information systems compatibility, we would seem to be in an excellent position to urge GSA to take the redefinition of WPE the final logical step, to let it be treated as an integral part of larger ADP-based information systems.

I. The Federal Procurement Regulations (FPR's) provide for what are termed "deviations," which may be authorized by the GSA Administrator or his designee. Requests must be in writing and must describe the nature of the deviation and the reasons for it.

IV. ~~Conclusions~~:

A. The procurement of ADPE, excluding WPE, is effectively, efficiently and securely carried out in CIA under the terms of the GSA's delegation of procurement authority. The restrictions under which we operate are those laid down in principle by Congress, and although not without burden, keep our procurement program in line with prevailing convictions about what is "right" for the country's economy.

B. The management of word processing equipment is inappropriately divorced from the rest of ADPE by GSA and the FPMR's, thus inhibiting efforts to move systematically in the direction of greater automation in our information handling systems.

C. CIA has the structure, the expertise and the organizational discipline to develop effective office automation programs.

D. General relief from the limitations on procurement of WPE (FPMR 101-11.9) for those agencies with effective controls over the growth of ADP systems would release resources for development of forward-looking information management systems. If general relief is not feasible at this time, a specific waiver for CIA would permit us to get on with the task.

V. ~~Recommendations~~:

A. That the DDA call the problem of word processing management as described above to the attention of the newly-appointed Administrator of GSA;

B. That the Administrator be urged to reposition WPE management under FPMR 101-35; and,

C. ~~That~~ the Administrator specifically grant CIA authority to treat WPE as falling exclusively within the existing delegation of procurement authority to this Agency for ADP and without reference to FPMR 101-11.9.